GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4153
ANSWERED ON:04.05.2007
FARMERS WELFARE TRUSTS
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of FINANCE be pleased to state:

(a) whether some banks have established Farmers Welfare Trusts for setting up of Farmers Training Centres in States:

(b) if so, the details thereof;

(c) whether loans at reasonable rates are proposed to be provided to the farmers to save them from the clutches of money lenders, and

(d) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : Yes, Sir. As per information available with NABARD, Punjab National Bank (PNB) has established two Trusts namely, PNB Farmers` Welfare Trust and PNB Centenary Rural Development Trust. These trusts have established five Farmers` Training Cenxes one each in the State of Madhya Pradesh, Rajasthan, Punjab, Uttar Pradesh and Ilaryana for imparting training to farmers for various activities.
In order to increase the credit flow to agriculture, the Government announced a Farm Credit Package en 18 June 2004 for doubling agriculture credit in 3 years beginning from 2004-05.
As a part of Farm Credit Package, banks were advised to provide loans to farmers to enable them to redeem their debts from non-institutional sources. In the year 2004-05, 2005-06 and 2006-07 (upto February 2007) Rs.63.47, Rs.31.41 and Rs.65.35 crores were provided to the farmers for the purpose.
Further, to reduce the burden of interest on Crop Loans availed by farmers for Kharif and Rabi 2005-06, an amount equal to two percentage points of the borrower`s liability on the principal amount upto Rs. 1,00,000/- was credited to their account. Thereafter, from Kharif 2006, to ensure that the farmer receives Short-Term Production Credit at 7% with an upper limit of Rs.3 lacs on the principal amount, tic; Government is providing interest subvention of 2% per annum to Public Sec:or Banks, Regional Rural Banks(RRBs) and Cooperative Banks on their lending from their own resources and refinance at concessional rates to cooperative banks and RRBs on their borrowings from NABARD.